

SAN JOAQUIN COUNTY ECONOMIC FORECAST

San Joaquin County is creating jobs at a rapid rate. In 2017, the county gained 8,300 jobs, representing a growth rate of 3.4 percent. By comparison, California created jobs at a rate of 2.0 percent. The best performing sectors in San Joaquin County were construction, leisure services, healthcare, and transportation.

Construction activity is accelerating. More than 2,500 homes were built in 2017, and almost \$800 million was invested into non-residential structures. Most of this activity was in Manteca, Stockton, and Tracy, where construction began on many new homes and several prominent logistics facilities.

People are moving to San Joaquin County for its affordable homes and growing job prospects. Across Coastal California, households often spend more than 35 percent of their income on mortgage payments and rent. But in San Joaquin County this figure is typically less than 25 percent, although there are a substantial number of households near the poverty line that spend much more.

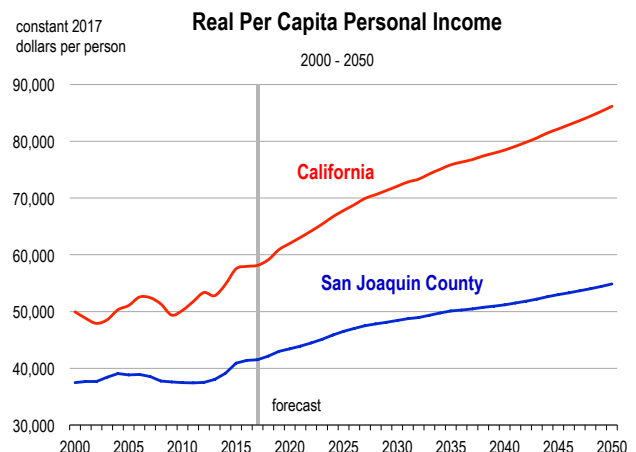
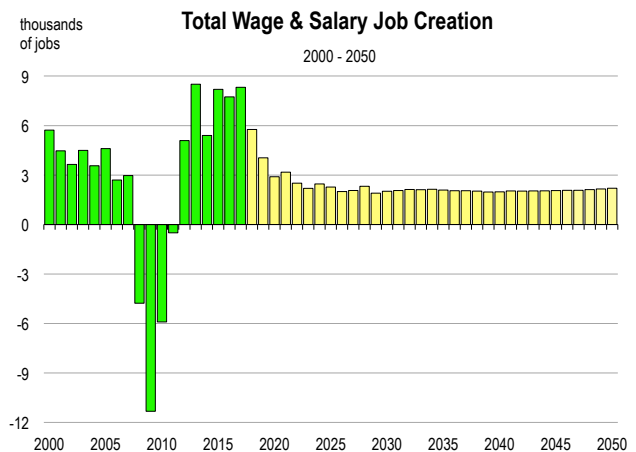
Affordable housing and increasing job prospects are being observed in most of the Central Valley, making it the fastest growing region of the state. This includes San Joaquin County, where more than 5,000 net migrants entered the county in each of the last four years.

San Joaquin County is expanding its presence in the logistics industry. Because it has affordable real estate and is in close proximity to the Port of Oakland, logistics firms are relocating to San Joaquin County, and a number of large corporations have established fulfillment centers in the region. The county gained 3,100 transportation and warehousing jobs in 2017, making the logistics industry the fastest growing sector of the economy.

The unemployment rate improved substantially last year, falling from 8.1 percent in 2016 to 7.0 percent in 2017. But it is still much higher than most parts of California. This is largely due to the county's prominent share of seasonal workers (primarily in agriculture), who are often unemployed for several months each year. Because of this dynamic, the San Joaquin County unemployment rate is already near its lowest sustainable level, and is not expected to improve substantially during the forecast period.

FORECAST HIGHLIGHTS

- In 2018, total wage and salary employment will increase by 2.3 percent. From 2018 to 2023, total employment will grow at an annual average rate of 1.1 percent.
- The strongest employment gains will be observed in education and healthcare, transportation and warehousing, government, and professional business services. Combined, these industries will account for 67 percent of net job creation between 2018 and 2023.
- Average salaries are currently below the California State average, and will remain so over the foreseeable future. In San Joaquin County, inflation-adjusted salaries are expected to rise by an average of 1.5 percent per year between 2018 and 2023, which will be slower than statewide growth.

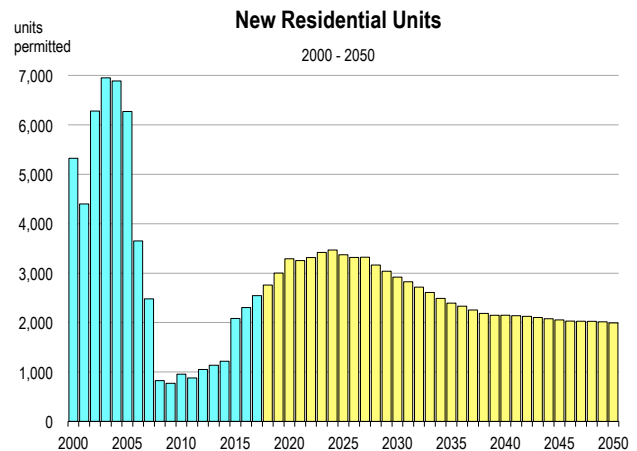
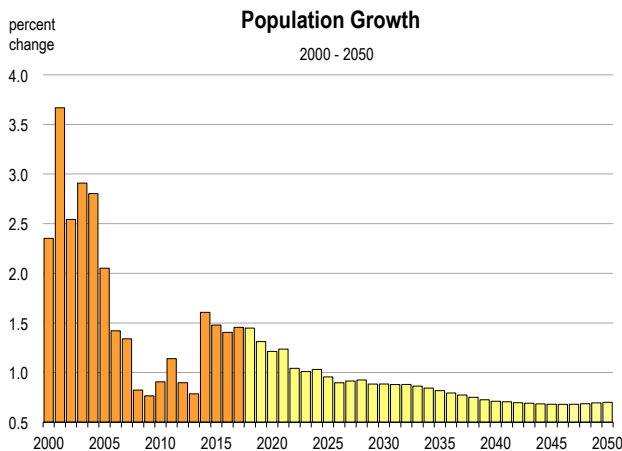


- Housing production will accelerate over the forecast period, with an average of 3,300 units built each year through 2023.
- Because San Joaquin County has large amounts of buildable land, the development process will spread out into single-family communities, rather than be forced up into multifamily skyscrapers.
- Large residential development projects have been planned in Manteca, Mariposa Lakes, Lathrop, and Tracy Hills. An enormous logistics project is also underway in Tracy, where 27.8 million square feet of space will be constructed.
- The population will continue to expand quickly. Annual growth in the 2018-2023 period is expected to average 1.2 percent.
- Net migration will remain strong, with an average of 4,000 net migrants entering the county each year through 2023. And because San Joaquin County has a young population, the natural increase (new births) will add 5,000 residents to the county each year.

San Joaquin County Economic Forecast

2010-2017 History, 2018-2050 Forecast

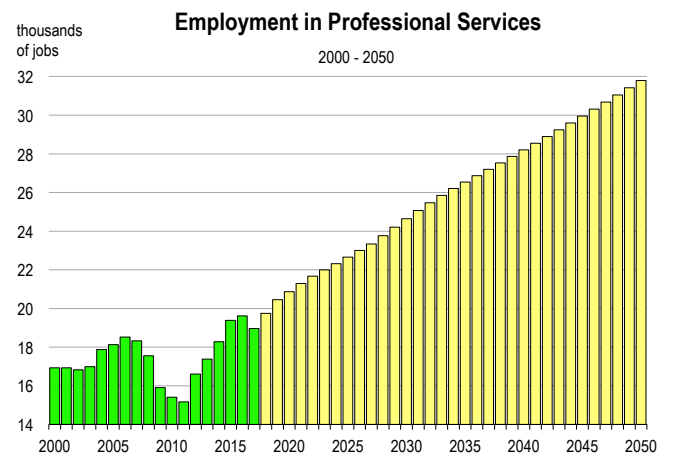
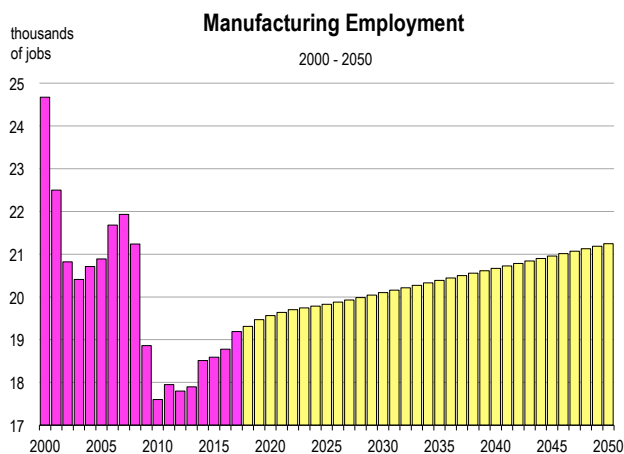
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (billions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2010	686,585	-96	574	215.0	958	\$7.6	\$22.2	\$37,482	1.3	2.27	6.2	16.5
2011	694,410	1,999	573	215.8	880	\$8.4	\$23.0	\$37,410	2.7	2.53	6.3	16.2
2012	700,638	1,104	573	217.7	1,052	\$9.0	\$23.8	\$37,516	2.7	3.17	6.5	14.4
2013	706,148	420	592	220.5	1,136	\$9.5	\$24.7	\$38,030	2.3	3.24	6.9	12.3
2014	717,490	6,755	608	222.0	1,216	\$10.0	\$26.3	\$39,118	2.8	3.46	7.4	10.5
2015	728,110	6,237	632	225.0	2,085	\$10.5	\$28.3	\$40,914	2.6	2.88	7.7	8.9
2016	738,343	5,624	659	227.3	2,305	\$10.9	\$29.7	\$41,395	3.1	2.41	8.3	8.1
2017	749,092	6,199	667	230.8	2,545	\$12.2	\$31.1	\$41,522	3.2	2.50	9.0	7.0
2018	759,940	5,990	683	232.0	2,759	\$12.9	\$33.0	\$42,143	3.7	2.52	9.3	6.6
2019	769,911	5,028	694	234.2	3,001	\$13.4	\$34.9	\$42,994	3.1	2.53	9.4	6.5
2020	779,252	4,346	702	236.9	3,291	\$14.0	\$36.9	\$43,437	4.1	2.55	9.6	6.7
2021	788,887	4,618	711	239.9	3,254	\$14.6	\$38.8	\$43,909	3.6	2.56	9.9	6.8
2022	797,115	3,215	717	243.2	3,315	\$15.1	\$40.8	\$44,478	3.5	2.58	10.2	7.0
2023	805,168	3,026	723	246.3	3,419	\$15.6	\$42.9	\$45,103	3.4	2.60	10.5	7.2
2024	813,477	3,235	730	249.7	3,468	\$16.2	\$45.1	\$45,849	3.3	2.62	10.8	7.3
2025	821,256	2,661	736	253.1	3,372	\$16.8	\$47.3	\$46,509	3.1	2.63	11.1	7.4
2026	828,625	2,192	742	256.4	3,318	\$17.4	\$49.3	\$47,028	3.1	2.65	11.4	7.5
2027	836,207	2,344	747	259.7	3,323	\$18.0	\$51.4	\$47,522	3.0	2.67	11.7	7.5
2028	843,946	2,465	753	263.0	3,164	\$18.6	\$53.5	\$47,818	3.3	2.69	11.9	7.4
2029	851,410	2,160	759	266.2	3,039	\$19.1	\$55.6	\$48,107	3.1	2.71	12.2	7.5
2030	858,944	2,203	764	269.1	2,920	\$19.7	\$57.7	\$48,417	3.0	2.73	12.5	7.4
2031	866,495	2,222	770	272.0	2,825	\$20.4	\$59.8	\$48,742	2.9	2.75	12.8	7.4
2032	874,124	2,323	775	274.8	2,717	\$21.1	\$61.9	\$48,926	3.1	2.76	13.1	7.4
2033	881,672	2,304	781	277.5	2,610	\$21.8	\$64.2	\$49,348	2.7	2.78	13.4	7.3
2034	889,111	2,295	787	280.1	2,489	\$22.5	\$66.6	\$49,725	2.9	2.80	13.7	7.3
2035	896,383	2,253	793	282.6	2,393	\$23.2	\$69.1	\$50,083	3.0	2.82	14.0	7.3
2036	903,503	2,236	798	285.0	2,332	\$24.0	\$71.8	\$50,270	3.4	2.84	14.3	7.3
2037	910,495	2,228	804	287.3	2,255	\$24.7	\$74.5	\$50,445	3.5	2.86	14.7	7.2
2038	917,333	2,203	809	289.5	2,186	\$25.5	\$77.4	\$50,726	3.3	2.88	15.0	7.2
2039	923,992	2,149	815	291.7	2,148	\$26.3	\$80.4	\$50,937	3.5	2.90	15.4	7.2
2040	930,563	2,159	820	293.8	2,149	\$27.0	\$83.5	\$51,177	3.4	2.92	15.7	7.2
2041	937,130	2,197	825	295.9	2,139	\$27.8	\$86.6	\$51,489	3.2	2.94	16.1	7.1
2042	943,654	2,176	831	298.1	2,126	\$28.6	\$89.8	\$51,833	3.1	2.96	16.5	7.1
2043	950,178	2,188	837	300.2	2,103	\$29.3	\$93.0	\$52,196	3.0	2.98	16.9	7.1
2044	956,685	2,185	842	302.2	2,078	\$30.1	\$96.4	\$52,629	2.8	3.00	17.3	7.1
2045	963,200	2,197	848	304.3	2,054	\$30.8	\$99.8	\$52,964	3.0	3.02	17.7	7.0
2046	969,752	2,230	853	306.3	2,031	\$31.6	\$103.2	\$53,318	2.9	3.04	18.1	7.0
2047	976,355	2,253	859	308.4	2,027	\$32.4	\$106.8	\$53,670	2.9	3.05	18.6	7.0
2048	983,053	2,284	865	310.4	2,026	\$33.2	\$110.6	\$54,038	2.9	3.07	19.0	7.0
2049	989,883	2,333	870	312.4	2,015	\$34.1	\$114.5	\$54,431	2.9	3.09	19.5	6.9
2050	996,816	2,377	876	314.4	1,993	\$35.0	\$118.6	\$54,850	2.9	3.11	19.9	6.9

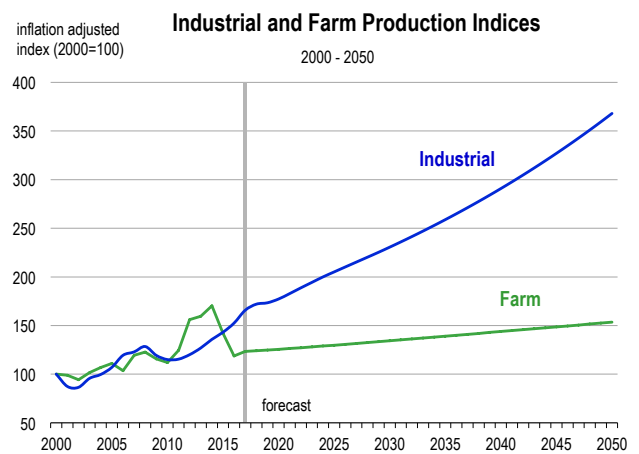
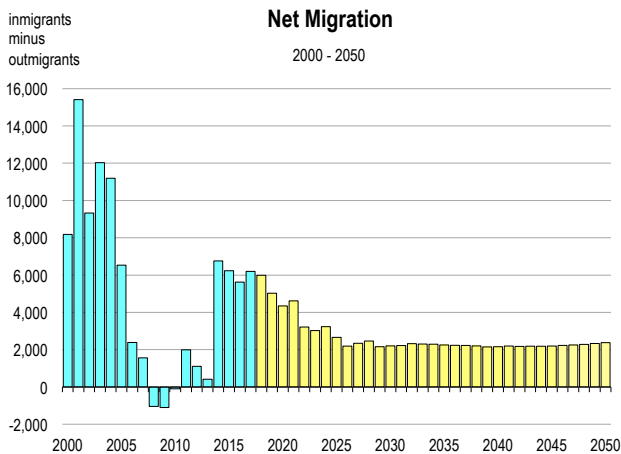
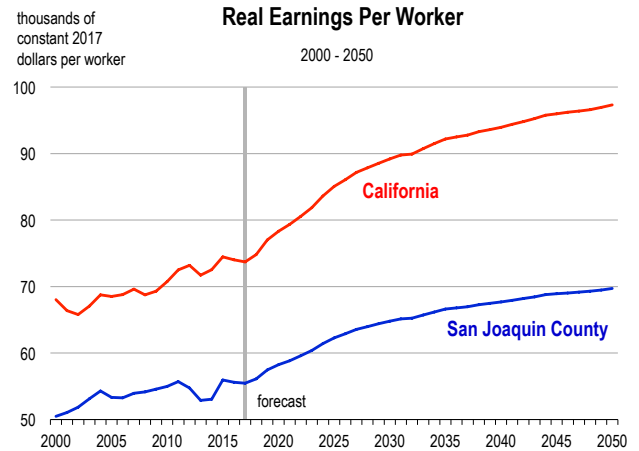
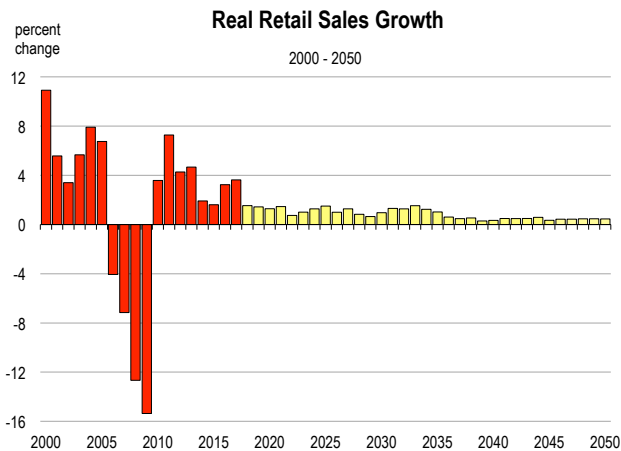


San Joaquin County Employment Forecast

2010-2017 History, 2018-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	-----employment (thousands of jobs)-----											
2010	208.2	15.7	7.6	17.6	13.8	33.7	7.7	15.4	2.1	33.5	16.1	38.2
2011	207.7	15.5	7.4	18.0	14.7	34.4	7.5	15.2	2.1	33.7	16.3	36.5
2012	212.8	15.7	7.6	17.8	16.0	35.7	7.5	16.6	2.1	34.0	17.0	36.1
2013	221.3	16.1	8.8	17.9	17.2	36.7	7.6	17.4	2.1	35.5	18.2	37.1
2014	226.7	15.7	8.9	18.5	18.3	36.9	7.5	18.3	2.1	35.9	19.1	38.6
2015	234.9	16.7	10.1	18.6	20.4	37.4	7.4	19.4	1.9	36.5	19.7	39.6
2016	242.6	16.6	11.1	18.8	23.6	38.2	7.5	19.6	2.0	36.4	20.5	40.8
2017	250.9	16.6	11.5	19.2	26.7	38.9	7.8	19.0	1.9	38.0	21.4	42.0
2018	256.7	16.7	12.5	19.3	27.7	39.5	7.8	19.7	1.9	38.6	22.0	42.8
2019	260.7	16.7	12.7	19.5	28.4	39.9	7.8	20.5	1.9	39.4	22.3	43.4
2020	263.6	16.7	13.0	19.6	29.0	40.3	7.8	20.9	1.9	40.0	22.4	43.8
2021	266.8	16.7	13.5	19.6	29.5	40.7	7.8	21.3	2.0	40.6	22.7	44.1
2022	269.3	16.7	13.3	19.7	30.1	41.0	7.8	21.7	2.0	41.2	23.0	44.3
2023	271.5	16.7	13.2	19.7	30.5	41.3	7.8	22.0	2.0	41.8	23.2	44.5
2024	274.0	16.7	13.4	19.8	30.9	41.6	7.8	22.3	2.1	42.5	23.4	44.8
2025	276.2	16.7	13.3	19.8	31.3	41.9	7.8	22.7	2.1	43.2	23.5	45.0
2026	278.2	16.8	13.1	19.9	31.6	42.3	7.8	23.0	2.1	43.9	23.6	45.3
2027	280.3	16.8	12.9	19.9	31.9	42.6	7.8	23.3	2.2	44.6	23.7	45.6
2028	282.6	16.8	12.9	20.0	32.0	42.9	7.8	23.8	2.2	45.5	23.9	45.8
2029	284.5	16.8	12.4	20.0	32.1	43.2	7.8	24.2	2.2	46.4	24.0	46.0
2030	286.5	16.8	12.1	20.1	32.3	43.5	7.8	24.6	2.3	47.3	24.2	46.2
2031	288.6	16.8	11.7	20.2	32.4	43.9	7.8	25.1	2.3	48.2	24.4	46.4
2032	290.7	16.8	11.5	20.2	32.6	44.2	7.8	25.5	2.3	49.1	24.6	46.6
2033	292.8	16.8	11.2	20.3	32.7	44.6	7.8	25.8	2.3	50.0	24.8	46.8
2034	295.0	16.9	11.0	20.3	32.9	45.0	7.8	26.2	2.4	50.8	25.0	47.1
2035	297.1	16.9	10.8	20.4	33.0	45.3	7.8	26.5	2.4	51.7	25.2	47.3
2036	299.1	16.9	10.7	20.4	33.2	45.6	7.8	26.9	2.4	52.6	25.4	47.5
2037	301.2	16.9	10.6	20.5	33.3	45.9	7.8	27.2	2.4	53.4	25.6	47.7
2038	303.2	16.9	10.4	20.6	33.5	46.2	7.8	27.5	2.5	54.2	25.8	47.9
2039	305.2	16.9	10.3	20.6	33.6	46.4	7.8	27.9	2.5	55.0	26.0	48.1
2040	307.1	16.9	10.2	20.7	33.8	46.6	7.8	28.2	2.5	55.7	26.2	48.3
2041	309.2	16.9	10.1	20.7	33.9	46.9	7.8	28.5	2.5	56.5	26.4	48.5
2042	311.2	17.0	10.1	20.8	34.1	47.1	7.8	28.9	2.6	57.2	26.6	48.8
2043	313.2	17.0	10.0	20.8	34.2	47.3	7.8	29.2	2.6	58.0	26.8	49.0
2044	315.3	17.0	9.9	20.9	34.4	47.6	7.8	29.6	2.6	58.7	27.1	49.2
2045	317.4	17.0	9.9	21.0	34.5	47.8	7.8	30.0	2.7	59.5	27.3	49.4
2046	319.4	17.0	9.8	21.0	34.7	48.1	7.8	30.3	2.7	60.2	27.5	49.6
2047	321.5	17.0	9.7	21.1	34.8	48.3	7.8	30.7	2.7	61.0	27.7	49.9
2048	323.6	17.0	9.7	21.1	35.0	48.6	7.8	31.0	2.7	61.8	27.9	50.1
2049	325.8	17.1	9.7	21.2	35.1	48.8	7.8	31.4	2.8	62.5	28.2	50.3
2050	328.0	17.1	9.7	21.2	35.3	49.1	7.8	31.8	2.8	63.3	28.4	50.5





County Economic and Demographic Indicators

Projected Economic Growth (2018-2023)

Expected retail sales growth:	6.1%
Expected job growth:	5.8%
Fastest growing jobs sector:	Professional Services
Expected personal income growth:	13.4%

Expected population growth:	6.0%
Net migration to account for:	44.7%
Expected growth in number of vehicles:	5.9%

Demographics (2018)

Unemployment rate (April 2018):	5.8%
County rank* in California (58 counties):	40th
Working age (16-64) population:	63.5%

Population with B.A. or higher:	18.5%
Median home selling price (2017):	\$337,000
Median household income:	\$58,733

Quality of Life

Violent crime rate (2016):	805 per 100,000 persons
County rank* in California (58 counties):	58th
Average commute time to work (2018):	33 minutes

High school drop out rate (2017):	8.1%
Households at/below poverty line (2018):	14.5%

* The county ranked 1st corresponds to the lowest rate in California